

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 DOTE-00 SPC-03 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 PRS-01 DRC-01 /139 W

----- 115932

R 132200Z NOV 73

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 5536

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PUNAMA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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GUATEMALA ALSO FOR ROCAP

E.O. 11652: N/A

TAGS: XK, EAID, CS, VIP(ALPIZAR, CLAUDIO)

SUBJECT: VISIT OF FINANCE MINISTER CLAUDIO ALPIZAR

REF: (A) SAN JOSE 4006

(B) SAN JOSE 3301

SUMMARY: GOCR FINANCE MINISTER ALPIZAR WILL TRAVEL TO WASHINGTON "OFFICIALLY" TO DISCUSS HIGHWAY LOAN WITH IDB. REAL REASON, HOWEVER, IS TO SEEK SUPPORT FOR A PROPOSAL FOR REINVIGORATING CACM VIA THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (CABEI). ALPIZAR HAS REQUESTED APPOINTMENTS WITH APPROPRIATE AID AND OTHER DEPARTMENT OFFICIALS FOR AFTERNOON OF NOVEMBER 21.

ACTION REQUESTED: EMBASSY RECOMMENDS

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APPOINTMENT WITH ARA/LA KLEINE AND SEPARATE

INTERVIEW WITH AMBASSADOR BOWDLER IF POSSIBLE.
PLEASE CABLE ARRANGEMENTS.

1. GOCR FINANCE MINISTER CLAUDIO ALPIZAR
WILL BE IN WASHINGTON NOVEMBER 17TH TO 21ST FOR
A ROUND OF DISCUSSIONS WITH THE IFIS. HE HAS
REQUESTED THE EMBASSY'S HELP IN OBTAINING APPOINT-
MENTS WITH AID AND WITH APPROPRIATE DEPARTMENT
OFFICIALS.

2. WHILE ALPIZAR'S "OFFICIAL" MISSION IS FOR
CONSULTATIONS WITH THE IDB OP HIGHWAY MAINTENANCE
LOAN (WITH MINISTER SILVA, NOVEMBER 20), HIS MAJOR
INTEREST IS, "TO MAKE ONE FINAL PERSONAL EFFORT TO
DO SOMETHING ABOUT THE COMMON MARKET". IN HIS
VIEW THE BEST INSTRUMENT FOR ADVANCING THE INTERGRATION
PROCESS AND PROMOTING DEVELOPMENT AND SOCIAL CHANGE
WOULD BE THROUGH REVITALIZING CABEI. ALPIZAR IS
CONVINCED THAT AT THE NEXT BOARD OF GOVERNORS MEETING
IN SAN SALVADOR (NOVEMBER 30) HIS ROLE MUST BE AN AGGRESSIVE
ONE TO MOVE CABEI'S BOARD TOWARD MORE IMAGINATIVE
COMMITMENTS FOR LONG-RANGE DEVELOPMENT OF THE REGION.
HE TOLD AN EMBOFF HE HAS PRESIDENT FIGUERES' SUPPORT
FOR THIS POSITION.

3. ALPIZAR ALREADY HAS APPOINTMENTS WITH ORTIZ
MENA OF IDB AND ALTER OF IBRD AND HOPES TO SEE HENRY COSTANZO
OF IDB. AT THE SUGGESTION OF THE
IMF MISSION NOW IN SAN JOSE, HE WILL ALSO
CALL ON JORGE DEL CANTO AND OTHERS OF THE FUND. HE
CLAIMS IBRD HAS ALREADY BEGUN PRELIMINARY CONVER-
SATIONS WITH THE STAFF OFLCABEI FOR MAKING A \$150
MILLION LINE-OF-CREDIT AVAILABLE TO CABEI OVER THE
NEXT SEVEN YEARS (SEE REFERENCE B). MOREOVER HE
SAID ALTER SOUGHT HIM OUT AT THE NAIROBI IBRD/IMF
MEETING IN ORDER TO DISCUSS THE CABEI PROJECT.
AQCOURAGED BY THIS INTERVIEW, ALPIZAR NOW ENVISAGES
A CONSMRTIUM APPROACH TO CABEI FINANCING WITH IDB
AND AID PARTICIPATION.

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4. ALPIZAR BELIEVES HE HAS ALTER'S COMMITMENT
FOR THE PROPOSAL, BUT HE ANTICIPATES DIFFICULTIES IN
CONVINCING IDB. HIS REQUEST TO SEE AID OFFICIALS
AT THIS TIME IS TO EXPLAIN THE PLAN.

5. COMMENT: ALPIZAR HAS BEEN STRONGLY
INFLUENCED BY NEW IBRD LENDING GUIDELINES AND BELIEVES
CABEI'S POLICY SHOULD NOW FOCUS ON THE SMALL FARMER

AND ON ACHIEVING INDUSTRIAL "RESTRUCTURING" THROUGH RATIONAL PORTFOLIO USE. HE ALSO ANTICIPATES THAT A DONOR CONSORTIUM WOULD KEEP CABEI ON COURSE BY DEMANDING CONDITIONS AND PROVIDING TECHNICAL ASSISTANCE.

6. ALPIZAR'S PLAN IS ATTRACTIVE IF FOR NO OTHER REASON, FOR ITS SIMPLICITY AND RAGMATISM. WHETHER OR NOT WE WOULD AGREE WITH THE IDEA WHEN SPELLED OUT IN DETAIL, WE THINK IT DESERVES SERIOUS CONSIDERATION AS A POTENTIALLY IMPORTANT LOCAL INITIATIVE. ON THE SURFACE, AT LEAST, IT SUPPORTS OUR VIEW THAT CABEI COULD AND SHOULD BECOME A MUCH MORE CENTRAL INSTITUTION IN THE CACM'S FUTURE, AND THAT INTRODUCTION OF CONSORTIUM LENDING TO THE REGION IS LONG PAST DUE.

7. WE HAVE NO DOUBT THAT LALPIZAR'S ESSAY INTO "PERSONAL DIPLOMACY" WILL CREATE SOME RESENTMENT IN CA. YET, HIS TACTIC OF SEEKING TO LINE UP IFI SUPPORT PRIOR TO GETTING A CA CONSENSUS PROBABLY REPRESENTS A FAIRLY SHREWD ASSESSMENT OF THE ART OF GETTING THINGS DONE.

VAKY

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